

### Title:

\*\*PNOC Alternative Fuels Corporation vs. National Grid Corporation of the Philippines\*\*

### Facts and Antecedent Proceedings:

The complaint was initiated by the National Grid Corporation of the Philippines (NGCP) against PNOC Alternative Fuels Corporation (PAFC) and other defendants, seeking to exercise its right of eminent domain over a parcel of land part of the Petrochemical Industrial Park for a transmission line project. The land, historically reserved and later declared for industrial purposes by various Presidential Proclamations and Decrees, was eventually transferred to PNOC and then to PAFC, a subsidiary, for managing and operating the Petrochemical Industrial Zone. The NGCP argued it held the authority under R.A. No. 9511, while PAFC countered that the property was already devoted to a public purpose and only Congress could authorize its expropriation. The Regional Trial Court (RTC) favored NGCP, prompting PAFC to appeal to the Supreme Court through a Petition for Certiorari under Rule 45 of the Rules of Court.

### Issues:

1. Was the filing of PAFC's Rule 45 Petition directly before the Court proper?
2. Did the RTC err in its Order of Expropriation, granting NGCP the authority to expropriate the subject property under R.A. No. 9511?

### Court's Decision:

1. **Appeal via Rule 45**: The Supreme Court deemed PAFC's appeal, although inaccurately formatted as a Petition for Certiorari, essentially a petition for review on certiorari under Rule 45. The Court clarified that the questions raised pertained purely to legal interpretations, correctly placing the appeal within its purview.
2. **Validity of RTC's Order of Expropriation**: The Supreme Court held that the subject property, though owned by a state subsidiary, is considered patrimonial and hence, private property. The Court pointed out that NGCP's expropriation authority is limited to private property under R.A. No. 9511 and that the subject property qualifies under such designation. The expropriation by NGCP was deemed reasonably necessary for its transmission project, affirming the RTC's decision.

### Doctrine:

When a law expressly delegates the power of eminent domain to an entity regarding the expropriation of private property, such delegation must be strictly within the law's limits. A

state-owned property, when declared alienable and disposable for commercial purposes, assumes the character of private property, making it subject to the eminent domain rights of duly authorized entities.

### Class Notes:

- **Eminent Domain**: The inherent power of the state to expropriate private property for public use upon just compensation.
- **Rule 45 Petition**: Appropriate for raising pure questions of law directly to the Supreme Court.
- **Patrimonial Property**: Property of the state not intended for public use or service but for economic or commercial purposes, treated analogously to private property.
- **R.A. No. 9511**: Grants NGCP the power of eminent domain limited to private property for the purpose of constructing and maintaining its transmission and grid systems.

### Historical Background:

The subject property's history reflects the Philippine government's evolving priorities, from agricultural research to petrochemical industrial development, highlighting shifts in policy through presidential proclamations and legislative actions. NGCP's assertion of eminent domain over PAFC's property represents a clash between modern infrastructure development and the inheritance of state-designated economic zones.